

City of Cincinnati



Mark Mallory
Mayor

To: Members of Council

From: Mayor Mark Mallory

Date: November 26, 2008

Copy To: City Manager Milton Dohoney, Jr.

Subject: Mayor's Recommendations to the 2009/2010 Biennial City Budget

As per the City of Cincinnati Charter, these comments and recommendations along with the attached budget documents are the formal transmittal of the proposed 2009/2010 City of Cincinnati Budget.

The City Manager has presented me with a budget that invests in core city services, while addressing a projected \$14 million deficit. The proposed budget continues to focus on the priorities that City Council and I have set for strengthening and growing our city.

The budget also advances several of the initiatives that I have launched over the last few years. These initiatives are all designed to grow our future.

- Cincinnati Initiative to Reduce Violence will have additional Streetworkers to continue to improve my number one priority, public safety.
- Census Complete Count initiative to ensure an accurate population count, leading to increased federal funding.
- Citywide Comprehensive Plan conducted by the Department of City Planning to develop our long-term vision for our future growth.
- City Youth Employment Programs are fully funded to invest in the future of our youth.
- Green Cincinnati Action Plan initiatives are being implemented to improve the health and sustainability of our city.
- Economic Development Division is expanding and becoming a full department, continuing to elevate the importance of attracting businesses to Cincinnati.

I want to thank the City Manager and his staff for their diligence and hard work developing a budget proposal that maximizes investment in key priorities, while dealing with an extremely difficult economic situation.

I am making the following changes to the 2009/2010 City Budget as I transmit it to Cincinnati City Council for consideration.

MAYOR'S RECOMMENDED BUDGET PRIORITIES

Solid Waste Fee

I propose eliminating the monthly Solid Waste Fee of \$17.30 per household and \$19.90 per business. By not instituting the fee, the budget will lose \$8,981,280 in new revenue in 2009. However, it will also save \$695,620 in implementation costs.

Gas Light Fee

I am proposing eliminating the \$4 per foot fee for property owners where gas streetlights are located. The fee would have generated \$100,000 in each year of the budget.

Contingency Fund

The proposed City Budget includes a contingency fund of \$31,192,000. In order to balance the budget and eliminate the solid waste fee, I am utilizing \$4,167,000 of that contingency fund, leaving \$27,025,000. That amount will ensure that we maintain a strong bond rating and the flexibility to address emergency situations. Additionally, any unexpected additional revenue in 2009 should be directed to the contingency fund.

Workers' Compensation Fund

I am proposing we delay the administration's suggested payment to the City's Workers' Compensation Fund, saving \$2,599,300 in 2009. It is important to note that the City Manager has proposed revamping the Citywide Employee Safety Program in the budget. The program will lead to fewer employee injuries and lower workers' compensation costs in the future.

Revised Fuel Cost Estimate

An additional \$725,000 in savings can be generated by revising our estimated fuel cost for 2009 from \$3.50 to \$3.00. The current estimates were made before the recent downturn in fuel costs. In addition, in 2009, the City will be purchasing a number of hybrid vehicles as part of the fleet replacement budget. And, the City recently implemented an anti-idling policy, which will further reduce fuel usage.

Police Visibility Overtime

I propose fully funding Police Visibility Overtime using the expected FEMA reimbursement from the costs associated with the October windstorm. That will restore Police Visibility Overtime to \$1,864,710, reversing the proposed cut of \$1,000,000 and saving \$864,710 from the General Fund. The City has applied for FEMA assistance, and the Federal Government has already approved Hamilton County's eligibility for disaster relief for that storm. It is important to note that the City has already paid for the cost of the windstorm using our emergency funds. The reimbursement funds are expected to arrive in the first quarter of 2009. The Overtime funding is typically used for extra patrols during the summer months and therefore the FEMA reimbursement will be available to fully fund the program.

Recreation – Pools and Community Centers

I am maintaining the funding to keep open all pools (\$160,000) and recreation centers (\$179,370). Our pools and recreation centers are key to the vitality of our communities. They offer our families, youth, and seniors countless opportunities for recreation and enjoyment.

Neighborhoods

Our Neighborhood Community Councils serve as links from our communities to City Government. I propose restoring funding for the Neighborhood Support Fund to the 2007/2008 level of \$7,000 per community.

Co-op Coordinator

I am also creating a Co-op Coordinator program in the Department of Human Resources to develop and manage a new City co-op program to take advantage of the successful co-op programs at our local colleges and universities by creating opportunities for students to co-op in the City Administration. This is a cost effective way to add to the City's workforce and train our future employees. The new program will require an additional \$61,000.

Way-finding Signs

In order to help promote our assets in Cincinnati, I am proposing that we contract to install a series of way-finding signs in the city. The signs will feature maps and promotional messages that highlight Cincinnati landmarks. The way-finding sign program will generate \$285,000 next year.

Additional Savings

In order to balance the City Budget, I am making a few additional cuts. I propose cutting the \$30,000 subsidy for the Cincinnati Arts Consortium. I am also proposing that the Cincinnati Police Department absorb \$130,000 in costs associated with the services of the Hamilton County Coroner.

CONCLUSION

In presenting the 2009/2010 City of Cincinnati Budget, I have focused on building on the City Manager's recommendations to invest in improving core services and in strategies that will grow our city. At the same time, I have implemented a strategy to use our contingency reserves and other strategic investments to eliminate the need for additional fees for our citizens during these difficult economic times.

There is no doubt that we are facing a difficult budget situation. The City of Cincinnati, like many families in the city, is forced to do more with less. I am confident that with prudent and efficient management and strategic investments in our future, we can deal with the economic realities and maintain the high level of service that citizens have come to expect from the City of Cincinnati.

I look forward to working with City Council over the next month to develop a strong City Budget that will continue the positive momentum that we have produced over the last three years. Working together, we have handled many challenges and set a course for a better future for our fellow citizens.

Attachment on file in the Clerk of Council's Office